

News Release

Your Contact

Markus Talanow +49 6151 72-7144
Investor Relations +49 6151 72-3321

April 28, 2017

“We are a company driven by a passion for research and discovery”

- **22nd Annual General Meeting of Merck KGaA, Darmstadt, Germany**
- **CEO Stefan Oschmann looked back at a strategically and operationally successful 2016**
- **Clear strategic priorities in the businesses**
- **Shareholders vote on dividend increase of 15 cents to € 1.20**

Darmstadt, Germany, April 28, 2017 – At the 22nd Annual General Meeting held today in Frankfurt am Main, Stefan Oschmann, Executive Board Chairman and CEO of Merck KGaA, Darmstadt, Germany, looked back at a strategically and operationally successful 2016, explained the company’s strategy and gave an outlook for 2017 to shareholders. The company is proposing to its shareholders a dividend increase of 15 cents or 14% to € 1.20.

“We defended our leadership position in display materials in a highly competitive environment. The integration of Sigma-Aldrich is exceeding all our expectations. And we have received the first approval for our new medicine Bavencio. Our strategy is working. Our company is well on track. That is above all due to the accomplishments of our more than 50,000 employees who apply their strong expertise, engagement and passion as well as extraordinary scientific curiosity to manufacture and commercialize technologies that can make a difference in the lives of numerous people. As shareholders, we want you to participate directly in our good business performance,” said Oschmann at the Annual General Meeting, one year after taking office as CEO.

Page 1 of 4



Merck KGaA
Frankfurter Strasse 250
64293 Darmstadt · Germany
Hotline +49 6151 72-5000
emdgroup.com

Head Media Relations -62445
Spokesperson: -9591 / -7144 / -6328
Fax +49 6151 72 3138
media.relations@emdgroup.com

News Release

Merck KGaA, Darmstadt, Germany, finished fiscal 2016 with record results and continued to grow profitably. In 2016, sales of the Group increased sharply by 17.0% to € 15.0 billion. EBITDA pre exceptionals, the company's most important earnings figure, increased by 23.7% to € 4.5 billion. Net income soared by 46.1% to € 1.6 billion. At the same time, Merck KGaA, Darmstadt, Germany, lowered its debt, which resulted mainly from the acquisition of Sigma-Aldrich, by more than € 1 billion to € 11.5 billion as of December 31, 2016.

In the Healthcare business sector, Merck KGaA, Darmstadt, Germany, achieved major advances in 2017 with the development of innovative medicines and submitted two active ingredients for regulatory approval. These are cladribine tablets for the treatment of multiple sclerosis as well as the immuno-oncological antibody avelumab for the treatment of Merkel cell carcinoma, a rare and highly aggressive form of skin cancer. Merck KGaA, Darmstadt, Germany, received approval for the latter from the U.S. Food and Drug Administration (FDA) at the end of March 2017. Bavencio is the brand name of the medicine containing the active ingredient avelumab. "For us this was a milestone. Not only because Bavencio is the first new medicine from our company in many years. But mainly because it marks our entry into the immuno-oncology market. No other form of therapy in oncology promises so much potential," said Oschmann. In line with the strategy of the Healthcare business sector of focusing its pipeline on innovative pharmaceuticals, Merck KGaA, Darmstadt, Germany, announced on April 24, 2017 the divestment of its Biosimilars business to Fresenius.

The Life Science business sector benefited in 2016 from strong demand from the biopharmaceutical industry and grew faster than the market. In biopharmaceutical production, single-use solutions are playing an important role, making biopharmaceutical production easier and more efficient in many cases. Another important area of focus was the integration of Sigma-Aldrich, which Merck KGaA, Darmstadt, Germany, continues to vigorously pursue. In 2016, Merck KGaA, Darmstadt, Germany, realized synergies faster than planned. At the end of 2016, € 105 million had already been achieved as compared with the originally planned amount of € 90 million in annually recurring cost synergies. In addition, previously unplanned top-line synergies have been identified, which by the end of 2018 are expected to contribute an additional € 20 million to earnings. Consequently, total

News Release

synergies from the acquisition will amount to € 280 million instead of originally € 260 million per year. Through the acquisition of Sigma-Aldrich and its e-commerce platform, Merck KGaA, Darmstadt, Germany, now ranks among the world's leading online distributors.

In the Performance Materials business sector, Merck KGaA, Darmstadt, Germany, maintained its leadership position in display materials in 2016 despite a difficult market environment of destocking by display industry customers. Through investments, Merck KGaA, Darmstadt, Germany, is further boosting the innovative strength of Performance Materials, e.g. by commissioning a € 30 million OLED materials production facility in Darmstadt. In the field of liquid crystal materials, Merck KGaA, Darmstadt, Germany, is developing new technologies, for instance SA-VA technology for large-area displays. This eco-friendly, resource-conserving and efficient technology is expected to be launched onto the market in 2017. Additionally, Merck KGaA, Darmstadt, Germany, wants to capture new application areas for its liquid crystal technologies in order to succeed in fields beyond displays. In August, the company announced the construction of a production unit in the Netherlands for liquid crystal window modules, which are to reach the market in 2018. In the automotive sector, liquid crystals are to be used for instance in smart antennas with particularly high data transmission speeds.

Merck KGaA, Darmstadt, Germany, measures its success not only in terms of financial figures. The company also made significant progress in achieving its corporate responsibility objectives in 2016. The [Corporate Responsibility \(CR\) Report for 2016](#), which was published today, documents the company's environmental and social performance. In its Group-wide corporate responsibility efforts, Merck KGaA, Darmstadt, Germany, places emphasis on climate protection and energy efficiency. In 2016, the Group lowered its greenhouse gas emissions by 10% relative to the 2006 baseline, despite growth in its operating business. In addition, with its numerous activities the company is helping underserved populations and patients in low- and middle-income countries to gain access to health solutions. In 2016, Merck KGaA, Darmstadt, Germany, achieved fourth place in the Access to Medicine Index of the world's largest pharmaceutical companies.

News Release

With a view to the company's 350th anniversary in 2018, Oschmann also spoke to shareholders about the future challenges of digital transformation. "We are and remain a company driven by a passion for research and discovery. We are rising to the greatest scientific challenges in Healthcare, Life Science and Performance Materials. And that means we are driving digital technology forward in all our businesses," said Oschmann.

At the Annual General Meeting, Oschmann reiterated the qualitative forecast given at the company's Annual Press Conference on March 9, 2017. Merck KGaA, Darmstadt, Germany, expects slight to moderate organic sales growth in 2017 in comparison with the previous year. EBITDA pre exceptionals for the Group should remain about stable compared with 2016. Merck KGaA, Darmstadt, Germany, will provide a quantitative forecast on March 18, 2017 with the publication of its figures for the first quarter of 2017.

All Merck KGaA, Darmstadt, Germany, press releases are distributed by e-mail at the same time they become available on the EMD Group Website. In case you are a resident of the USA or Canada please go to www.emdgroup.com/subscribe to register again for your online subscription of this service as our newly introduced geo-targeting requires new links in the email. You may later change your selection or discontinue this service.

About Merck KGaA, Darmstadt, Germany

Merck KGaA, Darmstadt, Germany, is a leading science and technology company in healthcare, life science and performance materials. Around 50,000 employees work to further develop technologies that improve and enhance life – from biopharmaceutical therapies to treat cancer or multiple sclerosis, cutting-edge systems for scientific research and production, to liquid crystals for smartphones and LCD televisions. In 2016, Merck KGaA, Darmstadt, Germany, generated sales of € 15.0 billion in 66 countries. Founded in 1668, Merck KGaA, Darmstadt, Germany, is the world's oldest pharmaceutical and chemical company. The founding family remains the majority owner of the publicly listed corporate group. Merck KGaA, Darmstadt, Germany, holds the global rights to the „Merck“ name and brand. The only exceptions are the United States and Canada, where the company operates as EMD Serono, MilliporeSigma and EMD Performance Materials.